

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of:                     )  
   )  
Business Meeting                     )  
\_\_\_\_\_ )

CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, JANUARY 13, 2010  
10:00 A.M.

Reported by:  
Peter Petty

COMMISSIONERS PRESENT

Karen Douglas, Chair

James D. Boyd, Vice Chair

Jeffrey D. Byron

Arthur H. Rosenfeld

STAFF PRESENT

Melissa Jones, Executive Director

Jonathan Blees, Acting Chief Counsel

Loreen McMahon, Office of the Public Advisor

Harriett Kallemeyn, Secretariat

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P R O C E E D I N G S

JANUARY 13, 2009

10:02 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of January 13<sup>th</sup>, 2010.

Please join me in the Pledge.

(Whereupon, the Pledge of Allegiance was received in unison.)

CHAIRPERSON DOUGLAS: Well, Commissioners, staff, members of the public, before we begin the agenda, we would like to pause and acknowledge Commissioner Arthur Rosenfeld, who is here for his last business meeting and the last day on the Commission, and I think all of us have quite a bit that we would like to say. Art, I have an Energy Commission resolution here for you, there is a proclamation from the Governor, there are resolutions from the Senate and Assembly and those will be read at a 2:00 reception by, in the case of Governor Arnold Schwarzenegger, his Chief of Staff, and Lonnie Hancock and Nancy Skinner from the Legislature, they will be over here in person to honor you at 2:00. So, at this Business Meeting, we will not read those proclamations or resolutions, but I would like to start out this business meeting by recognizing Art and providing you with the resolution from the Energy Commission honoring you.

COMMISSIONER ROSENFELD: Hi.

1                   CHAIRPERSON DOUGLAS: "Whereas, Arthur Rosenfeld has  
2 devoted his entire professional life to energy, and for more  
3 than 30 years has shaped California's energy efficiency  
4 policies and programs, has shared this extraordinary passion  
5 for the last decade as a Commissioner with the California  
6 Energy Commission, and, Whereas, Art Rosenfeld's passion for  
7 energy efficiency and demand response as the least expensive  
8 way to reduce energy costs has resulted in California's annual  
9 energy use per capita being the lowest in the nation, which  
10 has become known as the "Rosenfeld Effect," and, Whereas, Art  
11 Cool Roof Rosenfeld provided the insight and leadership in  
12 identifying the value of cool roofing materials to address  
13 urban heat islands that resulted in business building energy  
14 efficiency standards that will substantially reduce air-  
15 conditioning loads in buildings and reduce energy costs and  
16 greenhouse gas emissions for Californians, and, Whereas, Art  
17 Rosenfeld is a devoted campaigner for the public interest and  
18 energy resource programs helping to establish several  
19 California University-based energy efficiency and energy  
20 research centers that are world known, and that have been  
21 instrumental in developing emerging energy efficiency  
22 technologies and the next generation of cutting-edge  
23 professionals for a new energy efficient world, and, Whereas,  
24 Art Rosenfeld's relentless pursuit of load management  
25 standards, including pressuring the Federal Government to

1 change national standards for small air-conditioning systems  
2 used in hot/dry climate zones, will result in reducing energy  
3 use and costs by up to 25 percent while reducing the state's  
4 peak electric demand and greenhouse gas emissions, and,  
5 Whereas, through Art Rosenfeld's insistence, the Energy  
6 Commission established the first state funded regional climate  
7 change research program in the nation, generating new  
8 scientific findings that shaped California's climate change  
9 policy and created the state's first Annual Climate Change  
10 Conference starting in 2004, now recognized as one of the  
11 leading national and international events for the climate  
12 change community, and, Whereas, Art Rosenfeld is a fervent  
13 champion and world leader for appliance efficiency and  
14 building standards, which has allowed the Energy Commission to  
15 adopt the first in the nation efficiency standards reducing  
16 vampire electrical loads, improving lighting product  
17 efficiencies, and setting minimum efficiency standards for  
18 televisions, and, Whereas, Art Rosenfeld built bridges to our  
19 San Francisco counterparts at the Public Utilities Commission,  
20 helping improve efficiency and demand response programs, and  
21 in his unique way, encouraging them to increase the funding  
22 for energy efficiency programs from \$250 million to a billion  
23 dollars; Therefore, Be It Resolved, that the California Energy  
24 Commission acknowledges, values and was privileged to have Dr.  
25 Arthur H. Rosenfeld serve this organization and the citizens

1 of California, and thank him for his devotion, leadership, and  
2 exemplary contributions to California's energy and  
3 environmental programs and policies. Thank you, Art.

4 [Applause]

5 COMMISSIONER ROSENFELD: Thank you.

6 VICE CHAIR BOYD: We are not done.

7 CHAIRPERSON DOUGLAS: Art, we are really only  
8 getting started.

9 VICE CHAIR BOYD: If I may exert the otherwise  
10 mythical title of Vice Chairman in the stead of Commissioner  
11 Byron, who I know I could not top, so I just might as well go  
12 in front of him and get on with it, with just a few words.  
13 Art, of course, is legend, and as I was reflecting on today, I  
14 began to think of certain things which ages me; Art is  
15 ageless, so it does not affect him, but I am definitely the --  
16 well, I have known Art longer than any sitting Commissioner  
17 and I think probably almost any Commissioner who has served  
18 here while Art has been here, and I also note with Art's  
19 departure, good lord, I will succeed to the title of "longest  
20 serving Commission" and "oldest Commissioner."

21 COMMISSIONER ROSENFELD: The Dean of Commissioners.

22 VICE CHAIR BOYD: Yeah, but I have no intention of  
23 ever trying to top your record of age in the seat, so to  
24 speak. I do not intend to try to even work as long as Art has  
25 worked in this -- in multiple areas -- but you do not look

1 your age, you do not act your age, and I know I would look and  
2 act my age when I was your age, so I am not even going to try.

3 Reflecting on Art's legacy, of course, you know, I  
4 do not think I originated the term, but I delighted in  
5 referring to Art in all kinds of forums, including here, as  
6 the "Godfather of Efficiency," probably nicer titles have been  
7 associated with that other than the "Godfather," but --

8 COMMISSIONER ROSENFELD: At least it is not  
9 "Grandfather."

10 VICE CHAIR BOYD: Yeah. Those of you who follow  
11 Italian history recognize that Godfathers have a lot of power,  
12 and Art did in his own way, that was also referenced in the  
13 resolution, in his own way he exhibited incredible power, arm-  
14 twisting power, seeming non-threatening power, nonetheless  
15 efficiency has been moved an incredibly long way because Art  
16 was pushing it in his own way. And while I love to hear the  
17 PUC brag on itself constantly about its huge efficiency  
18 program, I think the resolution already says it. They were  
19 prodded into it by the persistence of the Godfather here, and  
20 that is really, to me, a major part of Art's legacy. And it  
21 is further memorialized for us in the fact that, when the  
22 California energy agencies finally sat down together, I think  
23 at the spurring of a) the IEPR, and b) Art's having built that  
24 bridge, and created the now famous Energy Action Plan and its  
25 resultant loading order, guess what is number one on the list?

1 Efficiency. And everybody has pledged to that as, first, the  
2 principal program effort, and as I love to say in speeches  
3 constantly, efficiency is job one in California, and although  
4 you all think of us as the "California Electricity Commission"  
5 most of the time, since I am a transportation fuel freak, I  
6 also extend it to energy, in general, and efficiency is Job 1  
7 in all areas, natural gas, electricity, and transportation  
8 fuel. And that is really true, and I lay that somewhat at  
9 Art's doorstep of continuing to push the efficiency as the  
10 simplest, cheapest way for us to move.

11           So a couple of anecdotes. Art really had to work on  
12 me hard to get the word right, that is the "vampire" word. I  
13 used to slip and say "vipers" all the time, and he had to  
14 correct me all the time, "No, Jim, it's 'vampires.'" So, in  
15 any event, secondly --

16           COMMISSIONER ROSENFELD: Listen, Jim, when we first  
17 got around to it with Alan Meier, we called it "leaking  
18 electricity." And the electric industry decided they did not  
19 like that at all, so --

20           VICE CHAIR BOYD: All right, I just learned  
21 something.

22           CHAIRPERSON DOUGLAS: Do they like "vampires"  
23 better?

24           COMMISSIONER ROSENFELD: Well, at least it is funny.

25           VICE CHAIR BOYD: I look at them as "vipers"

1 sometimes, so maybe I cannot help myself. The "Rosenfeld  
2 Curve" or the "Rosenfeld Effect" has been referenced and that  
3 chart we all use is known pretty universally as the "Rosenfeld  
4 Curve," that is memorialized almost in perpetuity. And Art,  
5 for all of his career, has put in incredible hours and, you  
6 know, he is from Berkeley, but he lived here in Sacramento,  
7 well, I am a native Sacramentan, so it was easy for me to stay  
8 late many an evening, but I turn out my lights and the lights  
9 in the next office were always on. But the good news is, when  
10 the automatic light system shuts down, the lights in this  
11 building -- and I was plunged into darkness, including last  
12 night -- the Berkeley lamps are glowing away in Art's office,  
13 allowing me to find the switches to my Berkeley lamps and go  
14 back into -- I am going to miss that, Art. But now you have  
15 provided us with these motion sensing lights that --

16 COMMISSIONER ROSENFELD: It worked very well if you  
17 could find it.

18 VICE CHAIR BOYD: -- that when I move, finally, will  
19 turn the lights on, will keep me in the light. But, Art, you  
20 are going to be missed. I am known for talking a lot in  
21 public, I am not known for showing a lot of affection, but I  
22 am really going to miss you. It is going to be hard coming to  
23 work tomorrow, I guess, and knowing that you are not going to  
24 be there next door tomorrow, the next day, or the next day,  
25 and I only hope you will -- well, I know you will remember us,

1 I just hope you come visit us once in a while and maybe I will  
2 return to Berkeley more often than I have; being a U.C. grad,  
3 I should go back more often. But, anyway, look forward to  
4 seeing you in the future and wish you all the best, and it has  
5 sure been good seeing you back here for the last few weeks  
6 carrying on until late at night. Good luck to you, Art.

7 COMMISSIONER ROSENFELD: Thank you very much for  
8 your kind words. I will be back. I continue to expect to be  
9 nagging at all of my friends.

10 COMMISSIONER BYRON: Thank you, Madam Chairman. You  
11 know, I have known Commissioner Rosenfeld the shortest time  
12 amongst all the Commissioners, in fact, perhaps the shortest  
13 time amongst all of you, as well. And I remember that someone  
14 told me before I met Commissioner Rosenfeld, it might have  
15 been a former Executive Director here who will go nameless,  
16 but his initials are BB, he said to me, "No one doesn't like  
17 Art." And, you know what? It is absolutely true. I have  
18 come to love this man, despite the fact -- there are a few  
19 "Whereas'" that we are missing -- despite the fact that he  
20 only works on what he wants to at this Commission. He did not  
21 do a single siting case -- well, that is not true, of course.

22 COMMISSIONER ROSENFELD: Listen, I did a lot my  
23 first term, I just finally got smart.

24 COMMISSIONER BYRON: And, of course, he can say you  
25 are wrong in the kindest way and get you on the right path

1 immediately. Everyone loves this man. I do not know if you  
2 have noticed, the Press loves this man, the Legislature loves  
3 this man, the staff loves him, the Governor, the Public  
4 Utility Commissioners love this man. Art, we all love you.  
5 It has been a pleasure to work with you these past four years  
6 as a colleague, as a Commissioner, but most of all as a  
7 friend. I would like to congratulate you on all of your  
8 accomplishments at this Commission. Your results and your  
9 successes will have a lasting influence on this Commissioner,  
10 and certainly on this Commission. Dare I say, we are all  
11 grateful having had him here for the last 10 years, and I  
12 would just like to wish you the best of luck on your next  
13 adventure. Congratulations, Commissioner.

14 COMMISSIONER ROSENFELD: Thank you very much. I  
15 guess I should say a few words. I am not going to thank 400  
16 people, most of whom I got to know over 10 years. I think I  
17 will thank my office staff, who have worked very hard, ran  
18 through two first advisors, first John Wilson, who was  
19 invaluable, but finally got an offer he could not refuse from  
20 the Energy Foundation, giving away money for efficient  
21 buildings; and then Dave Hungerford, who took over so ably.  
22 Actually, I have been working with Dave ever since load  
23 management standards -- the first set of load management  
24 standards came out right after the energy crisis. The second  
25 advisor was Pat McAuliffe. You know, there is an old saying

1 that a picture is worth a thousand words; I think, in the case  
2 of Pat McAuliffe, a good set of Pat McAuliffe slides including  
3 the energy use per capita is worth 2,500 terawatt hours --  
4 actually, it is 2,500 gigawatt hours, which is 2.5 terawatt  
5 hours, which I chose to be the output of a power plant for a  
6 year, which is a billion dollars worth of bills every two  
7 years. And then, Devi Eden has been wonderful for the last  
8 six months, only. I also have an honorary member of my office  
9 which is Adam Gottlieb over there, who has made himself  
10 completely invaluable, and got the right Press coverage for  
11 the T.V. skirmish; so, thank you, Adam.

12 I want to say that -- I want to pick at two words in  
13 there -- beautiful resolution, thank you -- the first one is,  
14 I have not been doing this for my whole career, I hate to see  
15 a whole half a career in particle produce [phonetic], I worked  
16 pretty hard then, too. It is all hyped, of course, and as an  
17 example, it says I insisted on the PIER Climate Change  
18 Conferences -- I do not remember insisting at all, I may have  
19 suggested it to Guido Franco; with Guido, the mere suggestion  
20 turns into great works anyway, but I do not think I even  
21 suggested it, so thank you anyway.

22 I wanted to make one remark inside here about the  
23 PIER Program. The PIER Program, for a scientist, at least, is  
24 not so easy to administer. It is fine for buying bridges or  
25 furniture, get the lowest bidder; it is not that well suited

1 to scientific research. And I got the idea a long time ago.  
2 When I got here, there was one center supported by PIER on the  
3 U.C. Berkeley campus, basically an electricity institute, and  
4 coming from the National Labs, I have the impression that  
5 large enduring centers are a good way to go, they have a track  
6 record, they have institutional memory, they can get funding  
7 for more than a year at a time, and there are 10 now, and I am  
8 very pleased that there are four on the U.C. Berkeley campus,  
9 three at the Energy Efficiency Center in Davis, one each at  
10 LBL, Merced, Santa Barbara, and Cal State Sacramento. And I  
11 think that has gone well. I would like to see it continue.

12           And I wanted to make one other remark which is not  
13 so well understood in the public because it is not a shiny  
14 piece of solar collector, or whatever. Air-conditioning  
15 standards. Air-Conditioning standards were first invented in  
16 California and then Carter got into office with the idea of  
17 pushing standards, but he did not have -- he did not get it  
18 done, and then Reagan came into office and took the point of  
19 view that anybody who worked with standards should be zeroed  
20 out, so it did not get done for eight years of Reagan, and  
21 then, in the waning years of Reagan and the early years of  
22 Bush, a bunch of California standards for refrigerators, air-  
23 conditioners, furnaces, were taken over by the Feds. It is  
24 hard to remember back the power of the industry at that time  
25 relative to us environmentalists and they had not only the

1 power, but the *chutzpah* to say that, for marketing purposes,  
2 the whole country should be only one climate zone, that is,  
3 one air-conditioner which worked equally well in Florida, in  
4 Arizona, and in Minneapolis, which is pretty silly because an  
5 air-conditioner in Florida spends 90 percent of its energy  
6 drawing relatively warm 90 degree air to make it comfortable.  
7 Dry means water drips out, you have to have a cold core to  
8 drip out the water. Whereas here, or in Phoenix, which is a  
9 real market, the air is dry and all you have to do is cool it,  
10 you do not need to take it down to a temperature where the  
11 non-existent water drips out. Well, they got the country  
12 defined as one climate zone so that all of the United States  
13 had a minimum air-conditioning standard which was supposed to  
14 work for basically St. Louis, MO weather. That has been  
15 bothering me for 20 years. So there was an opportunity to get  
16 at that a few years ago. PIER spent a little bit of money on  
17 a prototype and I got some friends at Oak Ridge and Berkeley  
18 to use the official air-conditioner model, and we found out  
19 that we could get a 20 percent improvement in energy  
20 efficiency, a 20 percent drop in demand, with one-year payback  
21 time, if we optimized for the hot dry -- 20 percent at 115  
22 degrees, which is where we care about it. And that went  
23 through. And we will get a 20 percent improvement in  
24 residential air-conditioners. And I think it would not have  
25 happened without the runs from Berkeley and the prototype from

1 PIER. And it is still not perfect. The law says -- Jonathan  
2 is smiling -- the law says that each state shall -- roughly  
3 all the states south of the Mason-Dixon Line, will take humid,  
4 hot, or hot-dry, and north of there, they can be not so  
5 efficient because they are used only a few hours a year, a  
6 third set of air-conditioning. But the darned manufacturers  
7 still have this clause in there that California has to be one  
8 climate zone, the climate zone differentiation -- you cannot  
9 get two climate zones per state -- although we have 16 climate  
10 zones for other building standards. So I am going to work on  
11 that, that is one thing I am going to do.

12 The last remark, since some of you may not be there  
13 at 2:00, I am not as sad as it sounds because I am going to go  
14 back, I need a month or so to get my estate settled after my  
15 wife died, but then I have been off at an office up at  
16 Lawrence Berkeley Lab, and I intend to continue to -- maybe  
17 slightly less energetically -- but I intend to continue rabble  
18 rousing from up there, so if you want my new coordinates, send  
19 me an e-mail and you will get spit back automatically the  
20 contact information, and I think that is it. Thank you very  
21 very much. [Applause]

22 CHAIRPERSON DOUGLAS: Well, I will pass this  
23 resolution across to you and, obviously, we all hope and  
24 expect to see you back at it and helping us in our work.

25 COMMISSIONER ROSENFELD: I intend to.

1 CHAIRPERSON DOUGLAS: Very good.

2 COMMISSIONER BYRON: Speaking of work, Commissioner,  
3 we have a business meeting to do. Are you going to  
4 participate?

5 CHAIRPERSON DOUGLAS: We are on item zero. All  
6 right, so moving on to the agenda, with agenda changes, there  
7 is a new Item 20, which we will get to when we get to Item 20.  
8 We are also pulling Item 1A entirely, and we are pulling item  
9 12. So, with those changes to the agenda, we will begin with  
10 Item 1, the Consent Calendar, Item 1B.

11 COMMISSIONER ROSENFELD: I move Item 1B.

12 VICE CHAIR BOYD: Second.

13 CHAIRPERSON DOUGLAS: All in favor?

14 (Ayes.)

15 That item is approved.

16 Item 2, City of Chula Vista. Possible approval of a  
17 \$2,051,600 loan to the city of Chula Vista to upgrade street  
18 lighting. Ms. Perrin.

19 MS. PERRIN: Good morning. This is a loan request  
20 for the 1 percent ARRA funded, and it is from the City of  
21 Chula Vista, and they are requesting a loan for \$2,051,600 to  
22 upgrade 4,600 street lights in their residential neighborhood  
23 areas. The lights were tested in a pilot program with LED and  
24 induction lamps, and the city chose the induction lamps due to  
25 their cost-effectiveness and the less light pollution than

1 other types of street light technologies. The city will be  
2 able to reduce quite a bit of wattage on each lamp since many  
3 of the areas were over-lit on the city streets, and they had  
4 more poles than necessary, so they will receive a lot of lamp  
5 output, which they will reduce each fixture by 46 watts, and  
6 that is a 46 percent energy reduction. The lamps also will  
7 have a longer bulb life, which will reduce their maintenance  
8 cost and, overall, this loan will save the City of Chula Vista  
9 approximately \$200,000 annually, with a reduction of  
10 greenhouse gas emissions of approximately 859,000 pounds. The  
11 simple payback on this loan is 10.3 years. Thank you.

12 CHAIRPERSON DOUGLAS: Are there any questions from  
13 Commissioners?

14 COMMISSIONER ROSENFELD: I move the item.

15 VICE CHAIR BOYD: I will be glad to second the item.  
16 This is the second month in a row -- or meeting in a row, or  
17 third -- where we have done something very positive with the  
18 City of Chula Vista. I have some negative memories of the  
19 City of Chula Vista, and this is sweeping it away.

20 CHAIRPERSON DOUGLAS: Well, I am also pleased to see  
21 again that we are putting more ARRA money on the street  
22 through the loan program. We have a motion and a second. All  
23 in favor?

24 (Ayes.)

25 That item is approved. Thank you.

1 MS. PERRIN: Thank you.

2 CHAIRPERSON DOUGLAS: Item 3. City of Grover Beach.  
3 Possible approval of a \$444,951 loan to the City of Grover  
4 Beach for energy efficiency upgrades and installation of a  
5 photovoltaic system. Mr. Suleiman.

6 MR. SULEIMAN: Good morning, Commissioners. My name  
7 is Adel Suleiman, I am with the Special Projects Office. This  
8 loan request will help the City of Grover Beach upgrade  
9 lighting and mechanical systems for multiple city-owned  
10 buildings, convert old traffic and pedestrian signals in the  
11 city from incandescent to LED, and help install a 40 kW PV  
12 system on the roof at City Hall. This project, once  
13 completed, will reduce the energy consumption to the city by  
14 228,000 kWh and over 1,800 therms, or \$34,000 annually in  
15 reduced energy cost, with a simple payback of 13 years based  
16 on the loan amount. This project also once fully implemented,  
17 will remove approximately 100 tons of harmful emissions from  
18 the environment every year. The total cost is estimated at  
19 \$600,000 where the CEC will provide \$444,951 in a loan from  
20 the ARRA money, and estimated incentives of \$155,000 will be  
21 paid by PG&E, the serving utility. This loan request was  
22 previously approved by the ARRA Committee, as well as the  
23 State Historic and Preservation Office, SHPO, and complies  
24 with the National Environmental Policy Act, NEPA. I am  
25 seeking your approval on this loan request to the City of

1 Grover Beach. Thank you.

2 COMMISSIONER ROSENFELD: I move the item.

3 COMMISSIONER BYRON: Second.

4 CHAIRPERSON DOUGLAS: All in favor?

5 (Ayes.)

6 That item is approved. Thank you.

7 MR. SULEIMAN: Thank you.

8 CHAIRPERSON DOUGLAS: Item 4. City of Rancho  
9 Mirage. Possible approval of a \$385,000 loan to the City of  
10 Rancho Mirage, to install a new 150 ton oil-free variable  
11 speed drive centrifugal chiller and upgraded chilled water  
12 pump. Mr. Wang.

13 MR. WANG: Good morning, Commissioners. My name is  
14 Joseph Wang and I am with the Special Projects Office. The  
15 City of Rancho Mirage is requesting a \$385,000 loan to upgrade  
16 the HVAC system at the city library. And this loan will be  
17 used to replace the existing 220 ton chiller with a new  
18 variable speed drive 150 ton chiller. A new sequencing  
19 control will also be installed to optimize the chill water  
20 pump, condenser water pump, and cooling tower operation. This  
21 project is expected to save the city about \$33,000 annually,  
22 with a simple payback of 11.5 years. This project will also  
23 reduce about 84,000 pounds of CO<sub>2</sub> emissions. This project  
24 meets all ARRA loan requirements and staff is seeking the  
25 approval of the loan.

1           CHAIRPERSON DOUGLAS: Questions?

2           COMMISSIONER ROSENFELD: I move the item.

3           VICE CHAIR BOYD: Second.

4           CHAIRPERSON DOUGLAS: All in favor?

5           (Ayes.)

6           The item is approved. Thank you.

7           MR. WANG: Thank you.

8           CHAIRPERSON DOUGLAS: Item 5. Yolo County.

9   Possible approval of a \$2.5 million loan to Yolo County to  
10 install an 835 kilowatt AC photovoltaic tracking system. Mr.  
11 Suleiman.

12           MR. SULEIMAN: Thank you, Commissioner. Good  
13 morning, everyone. My name is Adel Suleiman and I am with the  
14 Special Projects Office. The County of Yolo implemented  
15 numerous energy efficiency and renewable upgrades for the past  
16 10 years. This \$2.5 million loan request before you today  
17 would help the county install 835 kW ground-mounted  
18 photovoltaic tracking system. This loan will make the project  
19 possible and help further reduce the county's energy costs and  
20 reduce the reliance on the utility grid system. This project  
21 is estimated to generate approximately 1.6 million kWh per  
22 year, and reduce the county's energy costs by over \$236,000  
23 annually, and has a simple payback of 10.6 years based on the  
24 loan amount. This project, once completed, is equivalent of  
25 removing 600 tons of harmful emissions from the environment

1 every year. The total cost of this project is estimated at \$7  
2 million, where the CEC loan will provide \$2.5 million from the  
3 Energy Conservation and Assistance Account, ECAA funds, and  
4 PG&E, the serving utility, would provide \$2.6 million in cash  
5 incentives paid out over five years, and the balance of the  
6 cost would be covered from the Clean and Renewable Energy  
7 Bonds and the County's own General Fund. This project was  
8 previously approved by the Efficiency Committee and meets all  
9 the requirements under the ECAA loan program. I am seeking  
10 your approval on this loan item to the County of Yolo, and I  
11 will be happy to answer any questions that you might have.  
12 Thank you.

13 CHAIRPERSON DOUGLAS: Thank you. Questions?

14 COMMISSIONER ROSENFELD: I move the item.

15 VICE CHAIR BOYD: Second.

16 CHAIRPERSON DOUGLAS: All in favor?

17 (Ayes.)

18 The item is approved.

19 MR. SULEIMAN: Thank you.

20 CHAIRPERSON DOUGLAS: Item 6. Town of Los Altos  
21 Hills. Possible approval of a \$47,000 loan to the Town of Los  
22 Altos Hills to install a solar hot water heater, heat pump,  
23 backup boiler, and a 6.6 kilowatt photovoltaic system. Ms.  
24 Fisher.

25 MS. FISHER: Good morning, Commissioners. My name

1 is Anne Fisher. I work in the Special Projects Office. The  
2 Special Projects Office has worked with the Town of Los Altos  
3 Hills Finance Director and Mayor Pro Tem to fund a project  
4 that would improve the energy efficiency of their Westwind  
5 Parks and Recreation facility and meet the Town's goal to  
6 achieve net zero energy usage. The recreation facility serves  
7 as a meeting place for hikers, bikers, and equestrians. It  
8 features equestrian sanitation and grooming stations, which  
9 are hot water intensive. The existing inefficient electric  
10 resistance heating system will be replaced with a new solar  
11 hot water system as the primary source of hot water and  
12 heating for the facility. An efficient heat pump water heater  
13 will serve as a backup source of hot water. A 6.6 kilowatt  
14 roof-mounted photovoltaic system will offset power used for  
15 lighting and equipment. These measures are estimated to save  
16 \$4,258 in energy costs and 15,500 pounds of greenhouse gas  
17 emissions annually. The project cost is \$53,533, it will be  
18 paid for by the town's General Fund monies and an ECAA loan of  
19 \$47,000 from the Energy Commission. The loan payback period,  
20 based on the savings, is 11 years. Thank you.

21 CHAIRPERSON DOUGLAS: Thank you. Questions?

22 COMMISSIONER ROSENFELD: I move this item, too.

23 COMMISSIONER BYRON: Second.

24 CHAIRPERSON DOUGLAS: All in favor?

25 (Ayes.)

1           This item is approved. Thank you.

2           Item 7. Shandam Consulting Services. Possible  
3 approval of Purchase Order Number 09-409.00-013 for \$178,950.  
4 Mr. Smith.

5           MR. SMITH: Good morning, Chairman and  
6 Commissioners. My name is Larry Smith and I am the Energy  
7 Commission's Chief Information Officer. I am seeking approval  
8 today for the Energy Commission to enter into an agreement  
9 with Shandam Consulting Service to provide information  
10 technology, network engineering, and architecture services.  
11 This agreement resulted from a request for offer made under  
12 the Department of General Services California Multiple Award  
13 Schedule. These network engineering services will be utilized  
14 to provide oversight, support, and knowledge transferred to  
15 the Information Technology Infrastructure within the Energy  
16 Commission that includes the maintenance of the enterprise  
17 architecture and provide input into our IT Capital Plan. They  
18 will participate and oversee in the move of the Energy  
19 Commission web server to the State Data Center that was  
20 directed by the Office of the Chief Information Officer,  
21 participate and oversee the replacement of the Energy  
22 Commission's web server failover system and, finally, to  
23 participate in oversees on the California Natural Resources  
24 Agency Geographical Information Systems Data Project, where we  
25 will be consolidating GIS resources and services. The Energy

1 Commission received three bids with Shandam Consulting  
2 Services being the winning bidder, and today I am requesting  
3 approval for the Purchase Order with Shandam Consulting  
4 Services in the amount of \$178,950 for one year.

5 CHAIRPERSON DOUGLAS: Thank you. Questions or  
6 comments?

7 VICE CHAIR BOYD: I am going to move approval on the  
8 assumption that this is a positive step in the right direction  
9 of efficiency. I am not the greatest fan of centralized data  
10 centers in the State of California, but nonetheless, I like  
11 what Mr. Smith has done with our systems. I am taking his  
12 word for it. Of course, you had no choice.

13 COMMISSIONER ROSENFELD: Second.

14 CHAIRPERSON DOUGLAS: We have a motion and a second.  
15 All in favor?

16 (Ayes.)

17 This item is approved. Thank you, Mr. Smith.

18 MR. SMITH: Thank you Chairman and Commissioners.

19 CHAIRPERSON DOUGLAS: Item 8. California Utilities  
20 Emergency Association. Possible approval of Contract 600.09-  
21 008 for \$300,000 with California Utilities Emergency  
22 Association to update the state's Energy Assurance Plan. Ms.  
23 Stoner.

24 MS. STONER: Hello. I am Sherry Stoner, Project  
25 Manager for Emergency Planning Program in the Fuels and

1 Transportation Division. I am here to present Contract  
2 600.09-008 for \$300,000 with the California Utilities  
3 Emergency Association. CUEA is a nonprofit association that  
4 operates as the Utilities Branch Manager with the California  
5 Emergency Management Agency to coordinate utility emergency  
6 response activities for California. The results of this  
7 contract will be used to assist staff with fulfilling the  
8 requirements of a grant from the Federal Department of Energy.  
9 As part of this contract, CUEA will update the State Energy  
10 Assurance Plan to incorporate recent advancements in  
11 technology such as Smart Grid applications, critical  
12 infrastructure interdependencies, and cyber security. They  
13 will prepare a plan for training personnel in energy assurance  
14 planning and document a process for tracking energy supply  
15 disruption events. And they will assist with planning two  
16 energy emergency exercises, one intrastate and one interstate.  
17 I recommend the approval of this contract and would be happy  
18 to answer any questions at this time.

19 VICE CHAIR BOYD: If there are no questions, I will  
20 move approval of the item.

21 COMMISSIONER ROSENFELD: Second.

22 CHAIRPERSON DOUGLAS: All in favor?

23 (Ayes.)

24 This item is approved. Thank you.

25 MS. STONER: Thank you.

1           CHAIRPERSON DOUGLAS:   Item 9.   Lawrence Berkeley  
2   National Laboratory.   Possible approval of Contract 500-09-022  
3   for \$1.75 million with Lawrence Berkeley National Laboratory.  
4   Ms. Mueller.

5           MS. MUELLER:   Good morning.

6           MR. BLEES:   Excuse me, sorry, Marla.   I believe that  
7   Commissioner Rosenfeld needs to say something about this item.

8           COMMISSIONER ROSENFELD:   Well, my mind is a blank.

9           CHAIRPERSON DOUGLAS:   Commissioner Rosenfeld has  
10   told me his intention to abstain from this item --

11          COMMISSIONER ROSENFELD:   Nine and 10.

12          CHAIRPERSON DOUGLAS:   Is there an additional  
13   statement needed?

14          MR. BLEES:   No, I just wanted to --

15          COMMISSIONER ROSENFELD:   I just thought of it as 10,  
16   but it is going to be nine and 10.

17          MR. BLEES:   All right.   Thank you.

18          CHAIRPERSON DOUGLAS:   All right, thank you.   Please  
19   continue.

20          MS. MUELLER:   Good morning.   I am Marla Mueller with  
21   the Public Interest Energy Program, the environmental area.  
22   And I am bringing forward this project on energy efficiency  
23   and indoor quality.   California buildings are responsible for  
24   approximately 25 percent of carbon dioxide emissions.   The  
25   building stock changes slowly, so building energy retrofit

1 programs are needed to substantially reduce building-related  
2 carbon dioxide emissions within the next few decades. This  
3 needs to be done without adversely impacting the indoor  
4 environmental quality. The overall technical goal of this  
5 project is to develop tools so that apartments can be  
6 retrofitted in a manner that both saves energy and improves  
7 indoor environmental quality. Specifically, this project will  
8 develop and document retrofit selection protocols to improve  
9 energy efficiency and indoor environmental quality. And it  
10 will provide a demonstration of these methods and quantify  
11 benefits of such retrofits in 15 apartments. Given the need  
12 for aggressive home energy retrofits to mitigate climate  
13 change and energy security risks, it is critical that we learn  
14 how to maximize energy savings through retrofit measures that  
15 avoid adverse indoor environmental quality issues. Low income  
16 apartments are an especially attractive place for these  
17 retrofits; buildings are often old and in poor repair, which  
18 should increase the energy efficiency options. In addition,  
19 the crowding, the old heating systems, and frequent poor  
20 repair of low income housing, increases related risks from the  
21 environmental point of view, so this increases our  
22 opportunities to improve indoor environmental quality. In  
23 addition to the Commission funding, Lawrence Berkeley National  
24 Lab has managed to get \$250,000 of ARRA funding from DOE. I  
25 have worked with the Buildings Efficiency crew and the PIER

1 Program in developing this, and will keep them involved when  
2 the project moves forward. Thank you.

3 CHAIRPERSON DOUGLAS: Thank you and thank you for  
4 helping pull together this important work. Obviously, with  
5 the major focus on retrofit right now as a way of achieving  
6 energy efficiency gains, this is very valuable and it is  
7 particularly valuable given the difficulty we have had in  
8 reaching and retrofitting low income rental units. So we  
9 appreciate that. Are there questions from the Commissioners?  
10 Comments?

11 VICE CHAIR BOYD: This item came before the Research  
12 Committee, so I would be pleased to move approval of the item.  
13 I want to note, Marla mentioned, this is local climate change,  
14 but it is efficiency, it is indoor air quality/indoor  
15 environment, and hopefully something this significant can --  
16 there is Adam -- can get some notoriety for the Commission in  
17 terms of taking this assertive step in helping us with our  
18 multiple responsibilities.

19 COMMISSIONER BYRON: And I second the item, noting  
20 that, although Commissioner Rosenfeld has abstained, I take it  
21 because he is joining the Lawrence Berkeley National Lab, it  
22 is coincident with the fact that he is giving up his low  
23 income apartment here in Sacramento, which therefore he will  
24 not benefit from this research, obviously, in that regard.

25 CHAIRPERSON DOUGLAS: Thank you, Commissioner Byron.

1           VICE CHAIR BOYD: The memory of that apartment will  
2 spur him onward.

3           CHAIRPERSON DOUGLAS: We have a motion and a second.  
4 All in favor?

5           (Ayes.)

6           COMMISSIONER ROSENFELD: Abstain.

7           CHAIRPERSON DOUGLAS: The item passes with one  
8 abstention.

9           Item 10. California Air Resources Board. Possible  
10 approval of Contract RMB500-09-023 for \$350,000 with  
11 California Air Resources Board to reimburse the Energy  
12 Commission for specific tasks for Cool Communities Research  
13 under Contract 500-08-059R. Mr. Scruton.

14           MR. SCRUTON: Good morning, Commissioners. I am  
15 Chris Scruton with the PIER Buildings Group. On June 30<sup>th</sup>,  
16 2009, the Commission approved Contract 500-08-059R with  
17 Lawrence Berkeley Labs for \$785,000 to do Cool Communities  
18 research. That contract included a \$350,000 commitment from  
19 the Air Resources Board under their early actions to support  
20 AB 32, and this interagency agreement, if you approve it, will  
21 allow the CEC to accept this \$350,000 from the Air Resources  
22 Board. It has been approved by the R&D Committee, staff  
23 recommends approval, and I will answer any questions if I can.

24           CHAIRPERSON DOUGLAS: Thank you very much. Are  
25 there any questions?

1           COMMISSIONER ROSENFELD: I just want to take this  
2 opportunity while Chris is there, weren't you the guy who  
3 managed the hot dried air-conditioner?

4           MR. SCRUTON: Yes, sir, as you know well, I was.

5           COMMISSIONER ROSENFELD: Thanks.

6           MR. SCRUTON: And Commissioner Rosenfeld, on behalf  
7 of my colleagues at PIER, I would like to wish you a special  
8 fond farewell, and we look forward to seeing how you reinvent  
9 your career down at the Laboratory.

10          COMMISSIONER ROSENFELD: Up at the Laboratory.

11          VICE CHAIR BOYD: Well, I will move approval of this  
12 item and I noted when I reviewed it earlier, I wrote in the  
13 margin, to me, this is a Rosenfeld legacy project because,  
14 frankly, a lot of us learned about the concept of Cool  
15 Communities from this gentleman who is stepping down from this  
16 esteemed dais, so, Art, this to me will always be the  
17 Rosenfeld Cool Community Research Effort.

18          COMMISSIONER BYRON: I will second the item.

19          CHAIRPERSON DOUGLAS: All in favor?

20          (Ayes.)

21          COMMISSIONER ROSENFELD: Abstained.

22          This item is approved.

23          Item 11. Order Instituting Rulemaking - Solar  
24 Offset Program. Possible approval of an Order Instituting  
25 Rulemaking to develop and adopt new regulations for a solar

1 offset program. Mr. Goncalves.

2 MR. GONCALVES: Thank you, Chairman, Commissioners.

3 My name is Tony Goncalves. I am Manager of the Renewable  
4 Energy Office. Senate Bill 1 directs the California Energy  
5 Commission to establish eligibility criteria, conditions for  
6 incentives, and rating standards for projects applying for  
7 ratepayer funded incentives for solar energy systems. Public  
8 Resource Code Section 25405.5, as enacted by Senate Bill 1,  
9 requires that a seller of production homes offer a solar  
10 energy system option to all customers that enter into  
11 negotiations to purchase a new production home constructed on  
12 land for which an application for a tentative subdivision map  
13 has been deemed complete on or after January 1<sup>st</sup>, 2011. And  
14 that is a quote directly from statute. It also requires that  
15 the Energy Commission develop an offset program that allows  
16 the developer or seller of production homes to forego the  
17 solar option offer requirement on a project by, instead,  
18 installing solar energy systems generating specific amounts of  
19 electricity on other projects. Pursuant to Public Resource  
20 Code Sections 25210 and 25213, and Title 20 of California Code  
21 of Regulations Section 1222A, the Energy Commission has the  
22 authority to commence a rulemaking proceeding to develop  
23 regulations to govern the requirements for alternatives to  
24 offering solar energy systems as an option for new production  
25 homes. This order instituting rulemaking officially declares

1 the Energy Commission's intent to develop and adopt  
2 regulations to govern the requirements for the solar offset  
3 program, docket 09-SOPR-1, has been established for this  
4 proceeding and the Renewables Committee will preside over the  
5 rulemaking. Staff is seeking approval for this Order  
6 Instituting Rulemaking.

7 CHAIRPERSON DOUGLAS: Thank you. And before we go  
8 to questions, we have one member of the public who has  
9 indicated a desire to speak on this item, Mr. Raymer.

10 MR. RAYMER: Thank you, Madam Chair and  
11 Commissioners. I am Bob Raymer, Senior Engineer and Technical  
12 Director with the California Building Industry Association,  
13 and today my comments are also echoed by the California  
14 Business Properties Association. CBIA is in strong support of  
15 the initiation of this rulemaking. We were the proponents of  
16 the amendment to SB 1 that brought about this provision, and  
17 we have already had a very productive, I guess, focus meeting  
18 with CEC staff to discuss how we could go about doing this and  
19 the timeline associated with it. We will be working  
20 diligently with CEC staff to see what we can do to expedite at  
21 least the front end informal part of the process. I do not  
22 think there is much you can do with the formal proceeding, but  
23 the reason for that, and why we will be so pragmatic on the  
24 input assumptions and the parameters of the program, we have  
25 projects ready to go right now. In the case that we gave

1 testimony at the workshop, the fact is we have got a 1.5  
2 megawatt set of PV panels that are ready to be installed in  
3 the middle of Irvine, a huge, effectively infill renewable  
4 project that is ready to go. The power will go across the  
5 street to a hospital, and the proponent of this project would  
6 like to use this as an offset for a residential project that  
7 they are also doing. So, with that, we look forward to  
8 working with the CEC on this. Thank you.

9 CHAIRPERSON DOUGLAS: Thank you, Mr. Raymer. I know  
10 you have been eager to have us move on this, and I am pleased  
11 that we have been able to initiate -- or that we are  
12 initiating the proceeding.

13 MR. RAYMER: Thank you very much. Other questions?

14 COMMISSIONER BYRON: Well, I noted, it looks like an  
15 aggressive schedule and that helps explain why, so I am  
16 certainly in favor of this. I will be glad to move the item.

17 COMMISSIONER ROSENFELD: Second.

18 CHAIRPERSON DOUGLAS: All in favor?

19 (Ayes.)

20 This item is approved.

21 MR. GONCALVES: Thank you.

22 CHAIRPERSON DOUGLAS: We will take Item 20 now. Is  
23 staff prepared to present on Item 20? City of Fairfield.  
24 Possible approval of a \$400,000 loan to the City of Fairfield  
25 to upgrade interior lighting systems in multiple facilities

1 and install a 30 kW photovoltaic system. Mr. Sullivan.

2 MR. BLEES: Madam Chair, I need to interrupt again.

3 CHAIRPERSON DOUGLAS: Please do, Mr. Blees.

4 VICE CHAIR BOYD: We always enjoy a legal  
5 interruption.

6 MR. BLEES: Yes. It is my pleasure to make you  
7 happy. Because this item was publicly noticed subsequent to  
8 the publication of the ordinary 10-day notice for the business  
9 meeting, the Open Meeting Act requires that there be a  
10 determination by a two-thirds vote of the state body that  
11 there exists a need to take immediate action, and that the  
12 need for action came to the attention of the state body, the  
13 Energy Commission, subsequent to the 10-day agenda being  
14 posted. So before we hear from Adel, it would be appropriate  
15 for a motion and a second, and a vote upon the determination  
16 that I just quoted.

17 VICE CHAIR BOYD: Okay, I will frame a motion that  
18 says that this body consider Item 20 on the conditions as  
19 spelled out by our Chief Counsel.

20 COMMISSIONER ROSENFELD: Second.

21 COMMISSIONER BYRON: May I ask why it was late to  
22 notice?

23 CHAIRPERSON DOUGLAS: Please, Ms. Jones.

24 MS. JONES: Commissioner Byron, there was an  
25 administrative error. We had, when we originally put the

1 agenda out, we had two items that were related to the City of  
2 Fairfield. Mistakenly, both items were removed from the  
3 agenda. We discovered that, and that is when we sent out the  
4 notice to add this to the business meeting today. And this  
5 particular loan is very important to the city in terms of  
6 leveraging ARRA funds. So that is what happened, it was an  
7 administrative error.

8 COMMISSIONER BYRON: Thank you.

9 CHAIRPERSON DOUGLAS: Thank you. So, Commissioner  
10 Boyd has made a motion.

11 COMMISSIONER ROSENFELD: I think I seconded it.

12 CHAIRPERSON DOUGLAS: We have a motion and a second.  
13 All in favor?

14 (Ayes.)

15 The motion carries.

16 COMMISSIONER ROSENFELD: Is five to zero enough for  
17 you, Jonathan?

18 MR. BLEES: I think that is 80 percent.

19 CHAIRPERSON DOUGLAS: Very well. Mr. Suliman.

20 MR. SULIMAN: Good morning, Commissioners. My name  
21 is Adel Suliman, I am with the Special Projects Office. This  
22 \$400,000 loan request before you today would help the City of  
23 Fairfield to retrofit the interior lighting systems and  
24 controls for multiple city-owned facilities to a more energy  
25 efficient system. This loan will also help install a 30 kW

1 photovoltaic system on the roof of the City Sports Complex  
2 Building. This project, once completed, will reduce the  
3 energy consumption by approximately 300,000 kWh per year, or  
4 \$45,000 in reduced energy costs, and has the simple payback of  
5 nine years. Installing a PV system, as well as the lighting  
6 retrofit will help improve the City's renewable portfolio,  
7 remove over 120 pounds of harmful emissions from the  
8 environment every year, and comply with Assembly Bill 32. The  
9 total project cost is estimated at \$450,000, where the CEC  
10 loan would provide \$400,000 of that from the Energy  
11 Conservation and Assistance Account, ECAA funds, and PG&E  
12 would contribute \$50,000 in cash incentives. This project was  
13 previously approved by the Efficiency Committee and meets all  
14 the requirements under the ECAA Program. I am seeking your  
15 approval on this loan request to the City of Fairfield. Thank  
16 you.

17 CHAIRPERSON DOUGLAS: Thank you. Questions or  
18 comments?

19 COMMISSIONER BYRON: I move the item.

20 COMMISSIONER ROSENFELD: Second.

21 CHAIRPERSON DOUGLAS: All in favor?

22 (Ayes.)

23 CHAIRPERSON DOUGLAS: Item 20 is approved. Thank  
24 you.

25 MR. SULIMAN: Thank you.

1           CHAIRPERSON DOUGLAS:   Going back to Item 13.  
2 Minutes.   Approval of the December 16<sup>th</sup>, 2009 Business Meeting  
3 Minutes.

4           VICE CHAIR BOYD:   Move approval.

5           COMMISSIONER BYRON:   Second.

6           CHAIRPERSON DOUGLAS:   All in favor?

7           (Ayes.)

8           The Minutes are approved.

9           Item 14.   Is there any Commission Committee  
10 presentations or discussion?   Seeing none --

11           VICE CHAIR BOYD:   I am sure there should be, but my  
12 mind is numbed by the marathon of siting cases we have been  
13 holding in this room the last few days and will continue for  
14 the next two days.

15           CHAIRPERSON DOUGLAS:   I understand.   Item 15.   Do we  
16 have a Chief Counsel's Report?

17           MR. BLEES:   Yes, thank you, Chairman Douglas,  
18 Commissioners.   First, I want to express on behalf of all of  
19 my colleagues in the Legal Office our gratitude to  
20 Commissioner Rosenfeld for the wonderful opportunity to work  
21 with him.   It has truly been a privilege for me and my  
22 colleagues to be some of the consigliore to Godfather  
23 Rosenfeld and we have heard a lot about Commissioner  
24 Rosenfeld's professional accomplishments, and it has been  
25 pointed out by the anonymous gentleman with the initials BB

1 and Commissioner Byron that there is nobody that does not love  
2 Art, and I think, you know, the man is accomplished beyond any  
3 of our wildest dreams, and yet, one of my fondest memories of  
4 Commissioner Rosenfeld is going to be the Costco nuts and  
5 candy that he was always so generous of every time I went into  
6 his office.

7 COMMISSIONER BYRON: It is the same jar of Costco  
8 nuts. It has been there for years.

9 COMMISSIONER ROSENFELD: The jar is the same, the  
10 nuts are different. Jonathan, while you are on this, I am  
11 going to remember one other thing about the wonderful  
12 relationships between the Counsel General's Office and the  
13 T.V. Standards. The T.V. Standards were held up, or might  
14 have been held up, because DOE had a test procedure which  
15 dated from, I do not know, 20 years ago, which only included a  
16 test for black and white old-fashioned TV's. And Bill Stack  
17 figured out a whole strategy which would get it removed just  
18 long enough for us to pass our standards and not be preempted  
19 by a DOE motion in order. And Bill Stack figured out this  
20 dance theme which was quite complicated and I gave it to Henry  
21 Kelly, and they scurried around like mad with just two months  
22 to get this done, and on the very day the T.V. Standard  
23 hearing was held, DOE came out with a statement that the -- it  
24 was very clever, it said that the rule -- the test procedure  
25 only applied to televisions which were illegal to be sold in

1 the United States, and therefore was repealed. And that sort  
2 of relationship between us and DOE was really wonderful, and  
3 we have had a very good relationship. And thank you,  
4 Jonathan.

5 MR. BLEES: Well, thank you, Commissioner Rosenfeld,  
6 and I will be sure to convey your kind words to Bill. This is  
7 a day for transitions and, in that spirit, I would like to  
8 introduce to you one of our spring interns, Heather Hoekstra  
9 (phonetic). Heather is a third-year student at the University  
10 of California at Berkeley Law School. We are going to start  
11 her off slowly and easily, we are going to have her work with  
12 the Siting and Transactions attorneys to develop a  
13 comprehensive, up-to-date list of all of the ARRA-related  
14 funding deadlines for both of our funding programs, and the  
15 siting cases with particular emphasis on whether there are any  
16 exemptions or exclusions, or waivers, we might be able to take  
17 advantage of.

18 CHAIRPERSON DOUGLAS: Well, welcome, Heather. Thank  
19 you.

20 COMMISSIONER ROSENFELD: Heather, one comment. My  
21 friend, Roland Risser at PG&E and some of the other utilities  
22 has a very huge list of all the ARRA funding and deadlines. I  
23 might give you a phone number after this.

24 MR. BLEES: It comes to no surprise to me that, once  
25 again, Commissioner Rosenfeld is several steps ahead of all

1 the rest of us. And, finally, I request a closed session to  
2 discuss a litigation matter.

3 CHAIRPERSON DOUGLAS: All right, we will move to  
4 closed session after this business meeting.

5 Item 16. Executive Director's Report.

6 MS. JONES: Yes, I would like to add the recognition  
7 to Art on behalf of the staff. We are extremely grateful for  
8 having had you for 10 years here to guide us in our energy  
9 efficiency efforts and our PIER efforts, and you will be  
10 sorely missed here. It has been a pleasure working with you.  
11 Thank you.

12 COMMISSIONER ROSENFELD: I will certainly miss you  
13 guys.

14 MS. JONES: Thanks. I have a quick update on ERAA  
15 activities. The Energy Efficiency Block Grant, the original  
16 deadline was January 12<sup>th</sup>. We are going to extend that to the  
17 15<sup>th</sup> at 4:00. This is to make sure that all local  
18 jurisdictions have an opportunity to submit applications. As  
19 you know, these are grants and they can only go to these small  
20 jurisdictions, so we want to make sure that we are able to get  
21 all the money out the door. In addition, we have drafted a  
22 letter and the Chairman is working with the key legislative  
23 leadership asking for their support in reaching out to local  
24 communities to make sure that they do get their applications  
25 in. The Energy Commission must encumber 60 percent of the

1 \$49.6 million in the block grants by March 14<sup>th</sup>, 2010, so we  
2 are marching forward. On the State Historic Preservation  
3 delegation to the Energy Commission, DOE requires  
4 certification for the protection of historic properties as  
5 part of the SEP Program, the Block Grant Program, and  
6 Weatherization Assistance Programs, as well as our other  
7 energy programs. We received certification because there has  
8 been an issue with a backlog of applications that were sitting  
9 at the State Historic Preservation Office. We received  
10 delegation to go ahead and review and evaluate those projects.  
11 This was actually a very monumental task and will greatly  
12 improve our ability to meet the ARRA deadlines. I would like  
13 to thank Gabe Herrera from our legal team, who helped make  
14 this come about, as well as Assistant Secretary of Resources,  
15 Todd Ferrera, the SHPO staff, and the others to resolve this  
16 issue very quickly. I should also note that the staff is  
17 currently reviewing over 100 program proposals for the three-  
18 part SEP Program. They total over \$890 million for a total of  
19 \$110 which is available, so we have had very good  
20 participation in this program. Notice of Proposed Awards for  
21 the SEP Program is expected to be released in late February.

22 CHAIRPERSON DOUGLAS: Thank you, Ms. Jones. Any  
23 questions? Moving on to Item 18, the Public Advisor's Report.

24 MS. McMAHON: Good morning, Commissioners. We have  
25 had a very busy month with the informational hearings and site

1 visits, as you all know. On January 5<sup>th</sup>, there was Ridgecrest  
2 Solar, which is obviously passed, and we have three coming up  
3 on January 25<sup>th</sup>, Rice Solar, Blythe Solar, and Palin Solar.  
4 And then there is going to be a little lull, so that is the  
5 end of the fast track ARRA projects at that point. Thanks.

6 CHAIRPERSON DOUGLAS: Thank you. I have one card  
7 from a member of the public who indicated a desire to speak.  
8 Mr. McGonya. Jerry McGonya? All right, he may not have  
9 lasted to this point on the agenda.

10 Item 19. Internet Internal Organization and Policy.  
11 I do not think we have -- we do not have any need to continue  
12 for that, so we will adjourn this meeting and move into closed  
13 session. Thank you.

14 (Whereupon, at 11:08 a.m., the business meeting was  
15 adjourned.)

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## CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of JANUARY 13, 2010.

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PETER PETTY